

**CITY PARK
REINVESTMENT ZONE NUMBER TWELVE,
CITY OF HOUSTON, TEXAS
Project Plan and Reinvestment Zone Financing Plan**

Project Plan

On December 8, 1998, the City of Houston passed Ordinance 98-1112 creating Reinvestment Zone Number Twelve, City of Houston, Texas (also known as "City Park Zone"), over approximately one hundred and eight (108) acres of land. The purpose of the City Park Zone is to advance a mixed-use development project by providing a funding mechanism for the construction of a major thoroughfare called East T.C. Jester Boulevard, reconstruction of the 18th Street and 20th Street intersection, reconstruction of Bevis Street, park facilities, and a portion of a City of Houston hike/bike trail.

The mixed-use development plan within the City Park Zone includes the construction of 288 class-A multi-family residential units; a 63,000 square foot Albertson's supermarket and retail site, a 1.5 acre commercial retail site, and 2.5 acre commercial site. Development within the project area is projected to increase taxable property values in the City Park Zone from its current value \$1.5 million to \$35 million, by the year 2003.

I. MAPS SHOWING EXISTING USES AND CONDITIONS OF REAL PROPERTY IN THE ZONE AND SHOWING PROPOSED IMPROVEMENTS TO AND PROPOSED USES OF THAT PROPERTY.

The City Park Zone includes approximately 108 acres of undeveloped land inside and south of Loop 610 North, at East T.C. Jester Boulevard along White Oak Bayou.

The boundaries of the City Park Zone are generally as follows: north of 11th Street, south of 20th Street, east of West T.C. Jester Boulevard, and west of Bevis Street. Exhibit A is the boundary map of the City Park Zone. Exhibit B is a land use map, which shows that the property within the City Park Zone is vacant with the exception of the little league baseball facility. Exhibit C is the roadway improvement map. Exhibit D is the park improvement map. Exhibit E is an aerial view of the City Park Zone.

Proposed improvements to and proposed uses of property

- Right-of-way purchase required to reconfigure the 18th Street and 20th Street intersection;
- Right-of-way purchase south of the apartment project which is currently owned by the Harris County Flood Control District, for the construction of East T.C. Jester Boulevard (a City of Houston designated major thoroughfare);

- Reconstruction of 18th Street and 20th Street intersection and East T.C. Jester Boulevard;
- Street lights and landscaping for East T.C. Jester Boulevard;
- Construction of new baseball fields, parking spaces, recreational facilities, landscaping and a community pavilion;
- Construction of a hike/bike trail along White Oak Bayou as part of the City's Master Bikeways Plan;
- Reconstruction and completion of Bevis Street, a City public street;
- Construction or reconstruction of educational facilities in or outside of the Zone.

II. PROPOSED CHANGES OF ZONING ORDINANCES, MASTER PLAN OF MUNICIPALITY, BUILDING CODES, AND OTHER MUNICIPAL ORDINANCES

All construction will be done in conformance with existing rules and regulations of the City of Houston and Harris County. There are no proposed changes of any City ordinance, master plan, or building codes.

III. LIST OF ESTIMATED NON-PROJECT COSTS

The portion of East T.C. Jester Boulevard (approximately 1,550 linear feet) within the boundaries of the apartment project has been dedicated by plat by the developer as a non-project cost. The estimated cost is \$1.8 million.

IV. STATEMENT OF METHOD OF RELOCATING PERSONS TO BE DISPLACED AS A RESULT OF IMPLEMENTING THE PLAN

Land within the City Park Zone is vacant. There will be no displacement of residents.

REINVESTMENT ZONE FINANCING PLAN

I. DETAILED LIST DESCRIBING THE ESTIMATED PROJECT COSTS OF THE ZONE INCLUDING ADMINISTRATIVE EXPENSES AND PROPOSED PUBLIC WORKS/PUBLIC IMPROVEMENTS IN THE ZONE

Below is a list of estimated project costs for public improvements in the City Park Zone. Developers will advance funds for the improvements and will be reimbursed as provided in separate agreements and other documentation between the Developers, the City Park Zone, and the City Park Redevelopment Authority (all references herein to the City Park Redevelopment Authority are made in anticipation of its creation). It is anticipated that total project costs will include financing costs associated with the projects. Line item amounts may be adjusted with approval of the Zone Board of Directors, as long as the total reimbursement does not exceed the Financing Plan budget.

It is anticipated that the Houston Independent School District (HISD) will expend approximately \$7.9 million for education related project costs. As provided for in Chapter 311, Texas Tax Code and its participation agreement between the City, Zone and HISD, the District may expend tax participation for educational purposes.

List of Project Items

Estimated Cost

East T.C. Jester Boulevard/Bevis Street Construction:	
18 th Street (acquisition for reconfigured intersection)	\$ 310,000
18 th Street and Bevis Street reconstruction	\$ 580,000
East T.C. Jester Boulevard (south of 18 th Street)	\$ 1,310,000
East T.C. Jester Boulevard (acquisition south of apartment tract)	\$ 150,000
East T.C. Jester Boulevard (north of 18 th Street)	\$ 455,000
20 th Street intersection reconfiguration	\$ 430,000
Engineering	\$ 300,000
Contingency on construction	\$ 150,000
Subtotal	\$ 3,685,000
Area Beautification and Park Facilities	
Purchase of property	\$ 360,000
Construction of new ball fields	\$ 500,000
Concession, exercise facility, lighting, parking	\$ 450,000
Landscaping, area beautification	\$ 200,000
Subtotal	\$ 1,510,000
Environmental Study	
Environmental studies undertaken for development projects	\$ 75,000
Subtotal	\$ 75,000
City of Houston Hike/Bike Trail	
Construction of a portion of a City hike/bike trail	\$ 100,000
Subtotal	\$ 100,000
Other Costs	
Education Related Project costs	\$ 7,996,366
Financing Costs*	\$ 2,937,350
Reinvestment Zone Creation	\$ 150,000
Reinvestment Zone Administration for duration of Zone (30 years)	\$ 270,000
Subtotal	\$ 11,353,716
TOTAL	\$ 16,723,716

* The estimated amount of bonded indebtedness is shown in Table A.

II. A STATEMENT LISTING THE KIND, NUMBER, AND LOCATION OF ALL PROPOSED PUBLIC WORKS OR PUBLIC IMPROVEMENTS IN THE ZONE

The private development and proposed public improvements are interconnected and essential to the success of the development in the community as a whole. The purpose of the City Park Zone is to facilitate public infrastructure improvements to enable the mixed-use development of residential and commercial properties. Public improvements include:

- Right-of-way purchase required to reconfigure the 18th Street and 20th Street intersection;
- Right-of-way purchase south of the apartment project which is currently owned by the Harris County Flood Control District, for the construction of East T.C. Jester Boulevard (a City of Houston designated major thoroughfare);
- Reconstruction of 18th Street and 20th Street intersection and East T.C. Jester Boulevard;
- Street lights and landscaping for East T.C. Jester Boulevard;
- Construction of new baseball fields, parking spaces, recreational facilities, landscaping and a community pavilion;
- Construction of a hike/bike trail along White Oak Bayou as part of the City's Master Bikeways Plan;
- Reconstruction and completion of Bevis Street, a City public street;
- Construction or reconstruction of educational facilities in or outside of the Zone.

Expenditures associated with the design, construction and financing of the planned public improvements, and other project related costs, will be funded by tax increment revenue derived from increases in property values. It is anticipated that the developer will undertake and fund the public improvements subject to reimbursement from tax increment revenues pursuant to a "Developer Reimbursement Agreement" between the developer, the City Park Zone, and the City Park Redevelopment Authority.

III. ECONOMIC FEASIBILITY STUDY

Appendix A is the economic feasibility study supporting the demand for the multi-family residential development. Appendix B is the economic feasibility study supporting the demand for a grocery market. Based on the studies, the current economic conditions, and the planned public improvements, strong acceptance of the development project is anticipated.

Percentage of Increment Dedicated to the Zone:

The percentage of tax value increment proposed to be dedicated to the TIRZ is:

TAXING UNIT	CURRENT TAX RATE	% OF TOTAL	% DEDICATED
City of Houston	\$0.665/\$100 valuation	31%	100%
Houston I.S.D. Non-Education	\$0.640/\$100 valuation	30%	44%
Houston I.S.D. Education	\$0.819/\$100 valuation	39%	56%
TOTAL	\$2.124/\$100 valuation	100%	

Both taxing units are participating in the City Park Zone at 100% of their tax rate. The above table reflects the current tax rates. Jurisdictional participation level may vary depending on Interlocal Agreements.

VII. THE CURRENT TOTAL APPRAISED VALUE OF TAXABLE PROPERTY IN THE ZONE

The current total appraised value of taxable property in the City Park Zone is approximately \$1,535,020.

VIII. THE ESTIMATED CAPTURED APPRAISED VALUE OF THE ZONE DURING EACH YEAR OF ITS EXISTENCE

The estimated appraised value of property in the City Park Zone is anticipated to be \$35 million upon completion of the planned development projects, as shown in Table A.

IX. DURATION OF THE ZONE

The duration of the City Park Zone is 30 years.

EXHIBITS

- Exhibit A City Park Zone Boundary Map
- Exhibit B City Park Zone Land Use Map
- Exhibit C City Park Zone Roadway Improvements Map
- Exhibit D City Park Zone Park Improvements Map
- Exhibit E City Park Zone Aerial View

TABLES

- Table A Tax Increment Revenue Schedule

APPENDIX

- Appendix A Economic Feasibility Study for City Park apartment development
- Appendix B Economic Feasibility Study for Albertson's grocery development

TABLE A

**PROPOSED CITY PARK REINVESTMENT ZONE
BONDED INDEBTEDNESS AND INCREMENT REVENUE SCHEDULE**

Tax Year	Coll. Year	Projected Increased Taxable Valuation	Non Education City Tax Rate	Non Education HISD Tax Rate	Education HISD Tax Rate	Non Education City Zone Collections	Non Education HISD Zone Collections	Total Non-Education Annual Zone Collections	TIRZ Debt Service (P/I) \$3,605,000	Remaining Non-Education Annual Zone Collections	Total Education HISD Zone Collections
1998		\$ 1,535,020	(BASE)								
1999											
2000											
2001	2002	\$ 34,064,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 224,267	\$ 215,836	\$ 440,103	\$ 329,325	\$ 110,778	\$ 276,202
2002	2003	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 328,150	\$ 127,456	\$ 285,932
2003	2004	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 326,650	\$ 128,956	\$ 285,932
2004	2005	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 324,825	\$ 130,781	\$ 285,932
2005	2006	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 327,675	\$ 127,931	\$ 285,932
2006	2007	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 324,875	\$ 130,731	\$ 285,932
2007	2008	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 326,750	\$ 128,856	\$ 285,932
2008	2009	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 327,975	\$ 127,631	\$ 285,932
2009	2010	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 328,550	\$ 127,056	\$ 285,932
2010	2011	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 328,475	\$ 127,131	\$ 285,932
2011	2012	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 327,750	\$ 127,856	\$ 285,932
2012	2013	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 326,375	\$ 129,231	\$ 285,932
2013	2014	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 324,350	\$ 131,256	\$ 285,932
2014	2015	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 326,675	\$ 128,931	\$ 285,932
2015	2016	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 328,025	\$ 127,581	\$ 285,932
2016	2017	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 328,400	\$ 127,206	\$ 285,932
2017	2018	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 327,800	\$ 127,806	\$ 285,932
2018	2019	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 326,225	\$ 129,381	\$ 285,932
2019	2020	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 328,675	\$ 126,931	\$ 285,932
2020	2021	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606	\$ 324,825	\$ 130,781	\$ 285,932
2021	2022	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
2022	2023	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
2023	2024	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
2024	2025	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
2025	2026	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
2026	2027	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
2027	2028	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
2028	2029	\$ 35,264,980	\$ 0.665	\$ 0.640	\$ 0.819	\$ 232,167	\$ 223,439	\$ 455,606		\$ 455,606	\$ 285,932
						\$ 6,492,776	\$ 6,248,686	\$ 12,741,462	\$ 6,542,350	\$ 6,199,112	\$ 7,996,366

Development Notes:

1. 288 apartments units
2. 1.5 acre retail site
3. 8.0 acre Albertson's Development Project
4. 2.5 acre commercial site developed in 2002.

City Park Reinvestment Zone Boundary Map



EXHIBIT A

HAWES HILL & PATTERSON CONSULTANTS, L.L.P.

City Park Reinvestment Zone Land Use Map

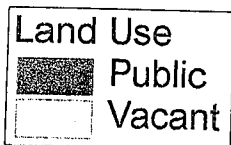
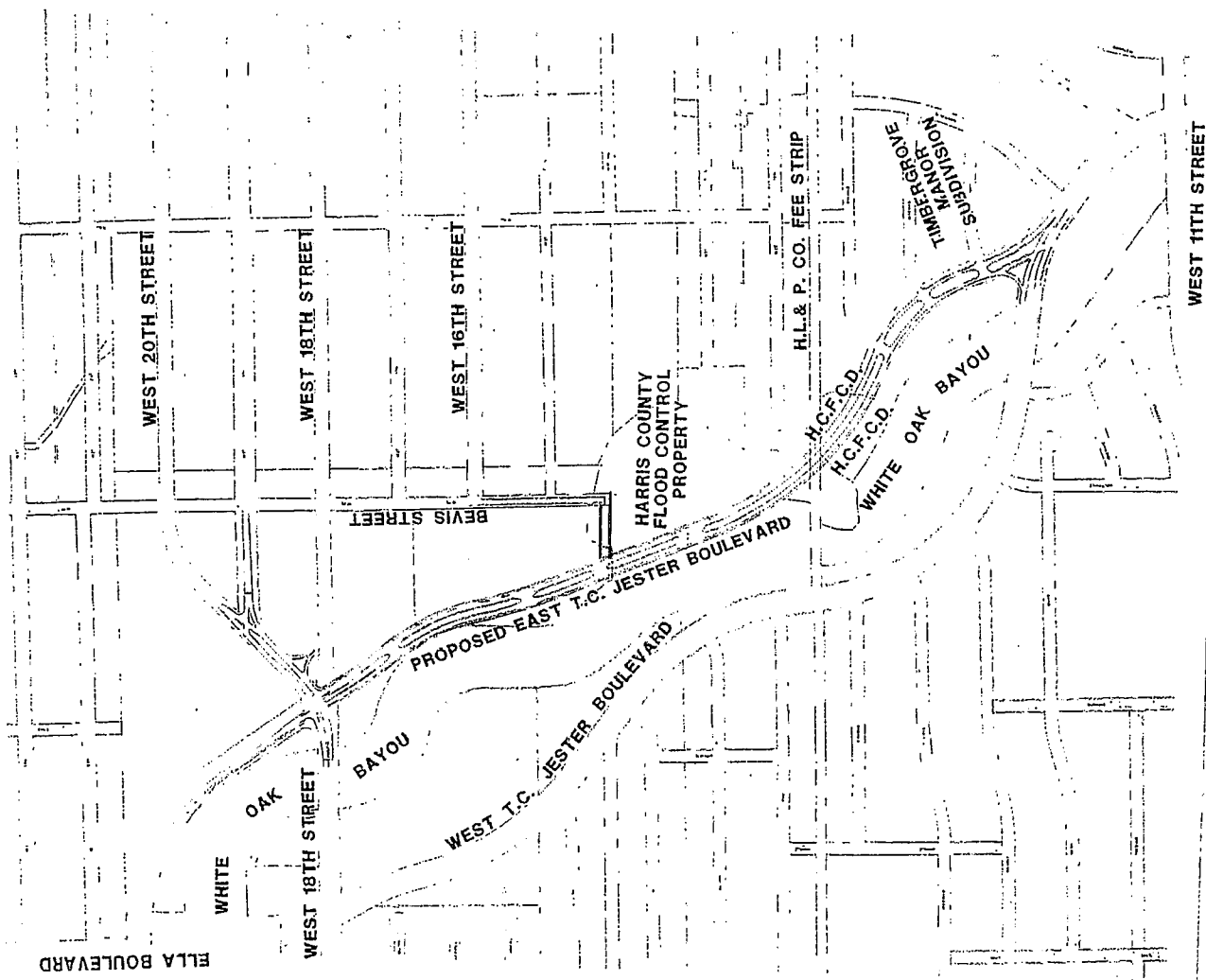


EXHIBIT B

HAWES HILL & PATTERSON CONSULTANTS, L.L.P.

ELLA BOULEVARD



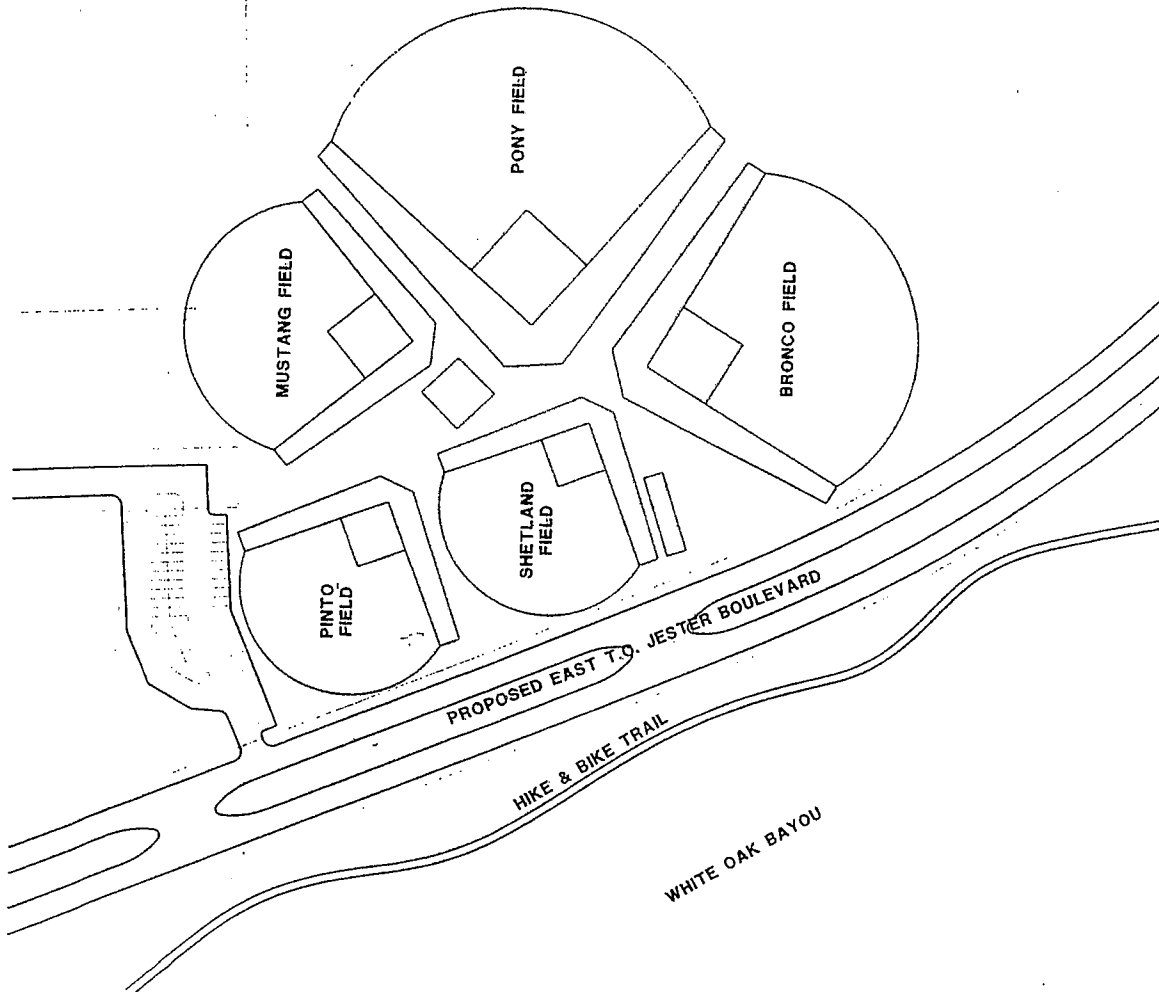
ROADWAY IMPROVEMENTS

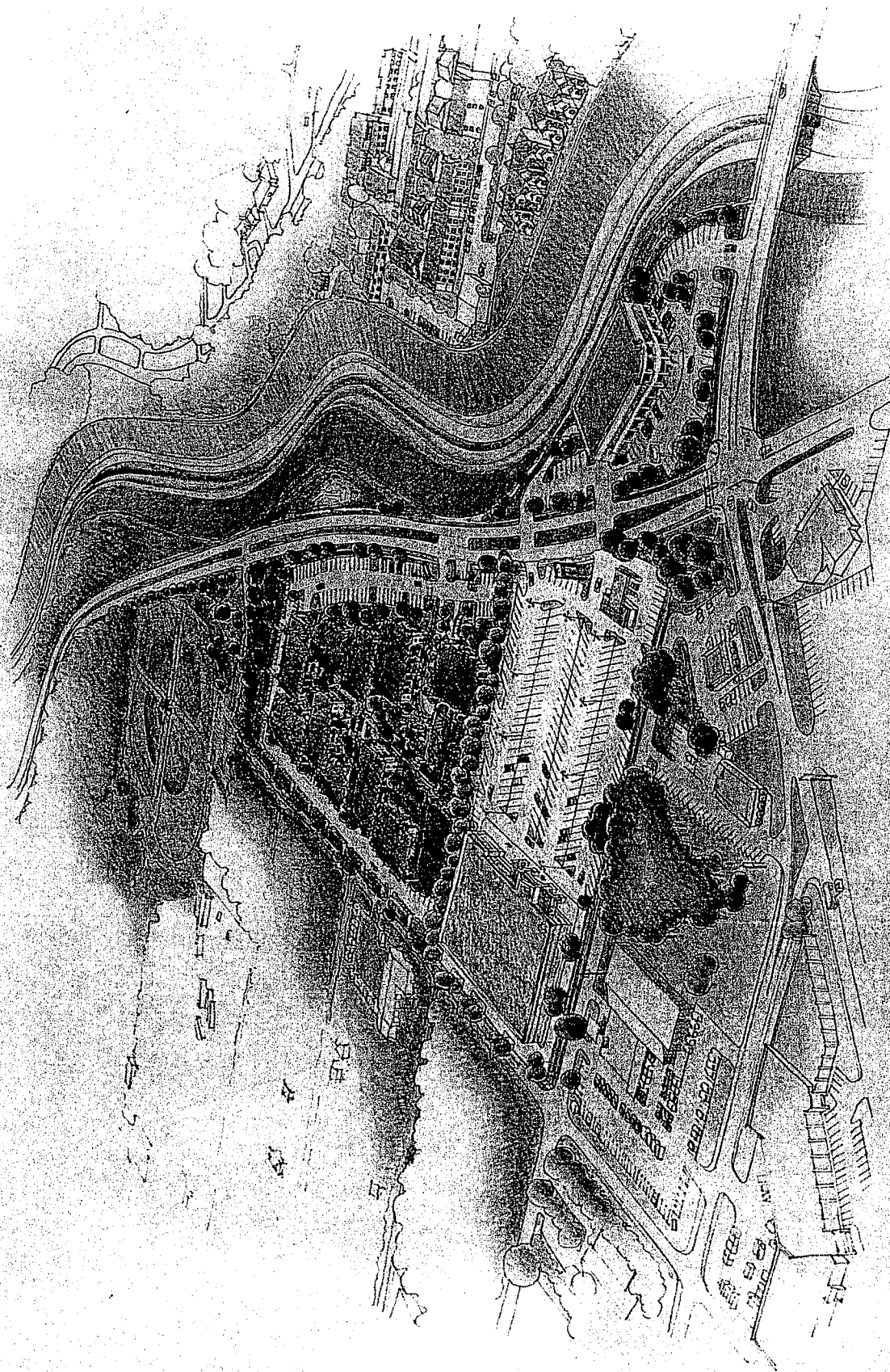
- ◆ IMPROVED MOBILITY
- ◆ 3,500 FEET OF MAJOR THOROUGHFARE
- ◆ PAVING AND UTILITY IMPROVEMENTS TO EAST T.C. JESTER
- ◆ PAVING OF BEVIS STREET
- ◆ LANDSCAPING ESPLANADE

EXHIBIT C

PARK IMPROVEMENTS

- ◆ FIVE BALL FIELDS
- ◆ FIELD AND PARK LIGHTING FOR NIGHT PLAY
- ◆ CONCESSION STAND
- ◆ COMMUNITY SHELTER
- ◆ BATING CAGE
- ◆ HIKE & BIKE TRAIL
- ◆ PARKING FACILITIES
- ◆ RECREATION FACILITIES (VOLLEYBALL, ETC.)
- ◆ PEDESTRIAN ACCESS FROM HIKE & BIKE TO PARK
- ◆ FLAGPOLES
- ◆ LANDSCAPING





CITY PARK T.I.R.Z.

EAST T.C. JESTER LTD.

LANE DESIGN GROUP

EXHIBIT E